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CENTRAL INTELLIGENCE AGENCY

*Memorandum*



THE SITUATION IN VIETNAM

Information as of 1600  
27 June 1966

; State Department review completed

PREPARED FOR THE NATIONAL SECURITY COUNCIL  
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HIGHLIGHTS

Policy differences between militant and moderate Buddhist elements which are preventing any meaningful accord between the Buddhist Institute and the government still appear to be unresolved. An Institute council meeting may be called soon to consider these differences.

I. The Military Situation in South Vietnam:  
Operation JAY continues north of Hue with light, sporadic contact with Communist forces reported (Para. 1). Operation DECK HOUSE I ended today and has now become Operation DECK HOUSE II in conjunction with Operation NATHAN HALE in Phu Yen Province (Para. 2). South Vietnamese Operation CUU LONG 30/66 ended today with the South Vietnamese having suffered heavy casualties 50 miles southwest of Saigon (Para. 3). South Vietnamese Popular Force platoon attacked by two VC companies in Binh Thuan Province (Para. 4). Recently captured Viet Cong documents indicate Operation NATHAN HALE disrupted plans of the 18B North Vietnamese Army Regiment to attack a Special Forces camp in Phu Yen Province on 25 June (Para. 5).

II. Political Developments in South Vietnam:  
Policy differences between militant and moderate Buddhists--which are preventing any meaningful accord between the Buddhist Institute and the government--still appear to be unresolved, although an Institute council meeting may be called soon to consider such questions (Paras. 1-3). Devaluation has touched off unfavorable reactions from private Vietnamese groups and has created some problems (Para. 4). The construction workers' strike continues, halting work on several priority projects (Para. 5).

25X1 III. Military Developments in North Vietnam:  
Photography [ ] confirms the construction of  
an airfield at Yen Bai--one of two which Chinese  
engineer units are believed to be building in north-  
ern North Vietnam (Paras. 1-2). [ ]

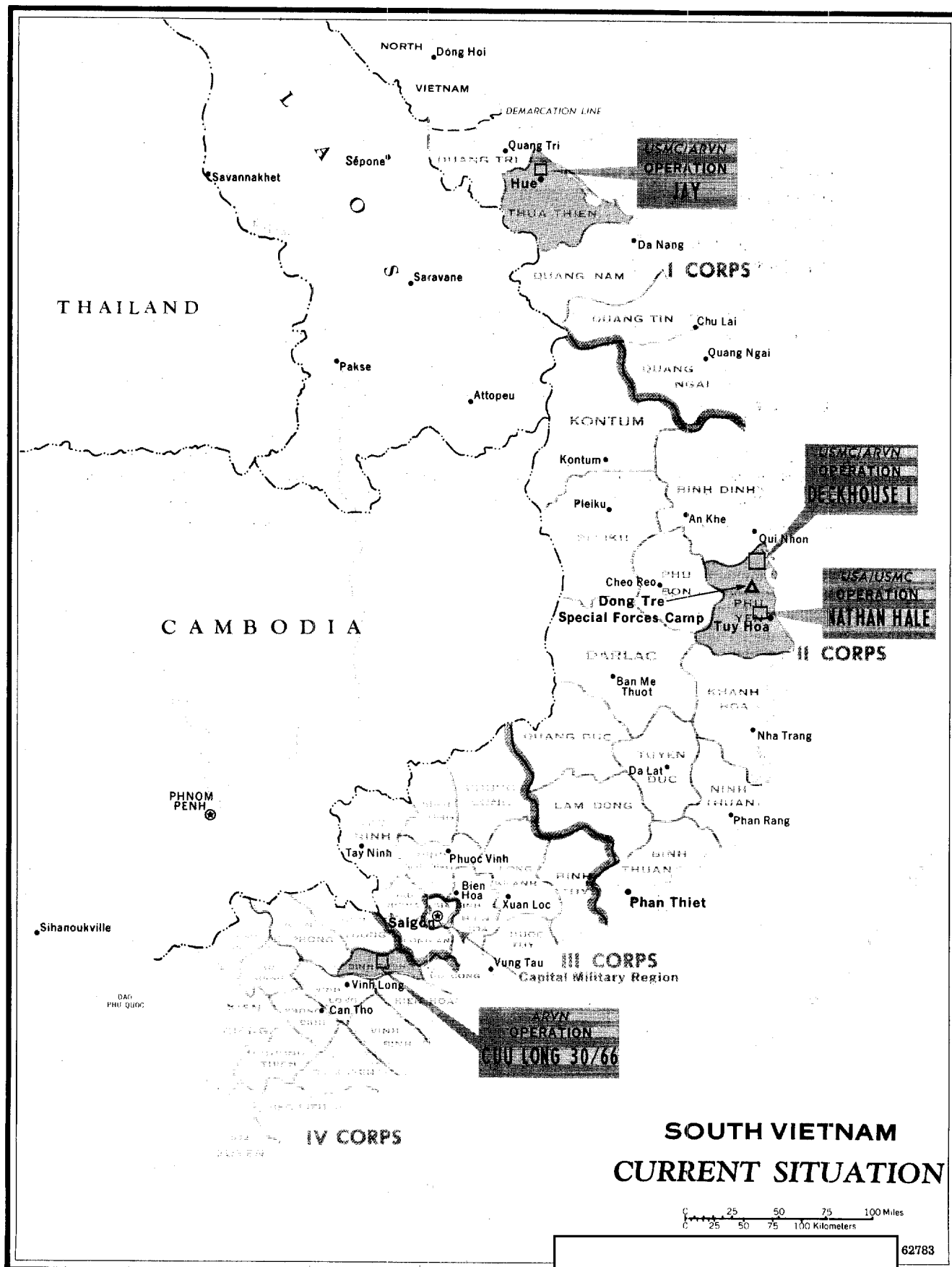
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25X1 IV. Other Communist Military Developments:  
There is nothing of significance to report.

V. Communist Political Developments: There  
is nothing of significance to report.

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# I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. The combined US - South Vietnamese Operation JAY, presently under way in the marshlands 18 miles north of Hue in northern Thua Thien Province, continues with light, sporadic contact. Many of the enemy troops are reported to have moved underground into a maze of tunnels. Cumulative casualties now total 23 Americans killed and 56 wounded compared with 66 Communists killed and four captured. More enemy bodies are expected to be found as friendly troops advance into an area which has been subjected to heavy air strikes, artillery fire, and naval bombardment. The battle area is known to the French as "the street without joy," where their forces suffered heavily in fighting against the Viet Minh 12 years ago.

2. Operation DECK HOUSE I, a search-and-destroy operation conducted by one US Marine battalion and one South Vietnamese Army battalion in northern Phu Yen Province, ended today. Final casualties for this operation were three Americans killed and 21 wounded. Communist losses were 51 killed and 60 captured. These US/South Vietnamese forces have now initiated Operation DECK HOUSE II in conjunction with, and under the control of, Operation NATHAN HALE.

3. A South Vietnamese search-and-destroy operation in the delta, CUU LONG 30/66, ended today with heavy friendly casualties. A total of 30 South Vietnamese were killed and 72 wounded in fighting that killed only three Viet Cong. The two-day operation was conducted in Dinh Tuong Province, approximately 50 miles southwest of Saigon.

4. A South Vietnamese Popular Force platoon was attacked on 26 June by two Viet Cong companies near Phan Thiet, about 100 miles east of Saigon in coastal Binh Thuan Province. South Vietnamese casualties in the engagement were 28 killed and 30 wounded. A total of 40 Viet Cong were killed.

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US Military Operation Interferes With Communist  
Attack Plan

5. Operation NATHAN HALE, now in its eighth day in coastal Phu Yen Province, appears to have disrupted Communist plans to attack the Dong Tre Special Forces Camp. Documents captured by units of the US 1st Air Cavalry Division indicate that the attack was to have been conducted on 25 June utilizing three battalions from the 18B Regiment which recently moved from the Cambodia border region of the western highlands. The battle plan called for the 7th Battalion to attack the camp, while the 9th Battalion was to ambush relief forces along the main road and the 8th Battalion was to establish ambush positions around landing zones and along roads to the southwest. This plan of using approximately one third of available forces to attack and the remainder to ambush reinforcements is a typical enemy tactic. Similar tactics were used by the Viet Cong in the attack on the Plei Me Special Forces Camp in Pleiku Province last October.

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## II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

### Buddhist Policy Dispute Still Unresolved

1. In a press interview today, Buddhist Institute Chairman Thich Tam Chau hedged his replies to such questions as whether the Buddhists would continue to demand the resignations of Premier Ky and Chief of State Thieu, or whether the Buddhist Institute would boycott the September elections for a constituent assembly. In line with an order issued by his religious superior today, Chau indicated that he would soon convene a meeting of the Buddhist Institute council to resolve policy differences existing between moderate and militant Buddhist factions.

2. In an earlier interview on 25 June, Chau stated that the Buddhists were still waiting for a reply from Premier Ky to a letter which asked, among other things, for amnesty for those involved in the antigovernment "struggle." Press reports from Saigon today carried a report from "high officials" that lay leaders, such as former Da Nang mayor Nguyen Van Man and former Quang Nam Special Sector commander Colonel Yeu, face severe punishment, but that Buddhist clergymen and lower ranking "struggle" members probably would not be prosecuted. Other sources have indicated that a final decision on the question of trials has not yet been made by government leaders.

3. Today's interview followed a meeting between Tam Chau and a three-man delegation from Ceylon which is investigating conditions existing between the Buddhists and the South Vietnamese Government. After the meeting, Chau declared that there had been "complete understanding on both sides."

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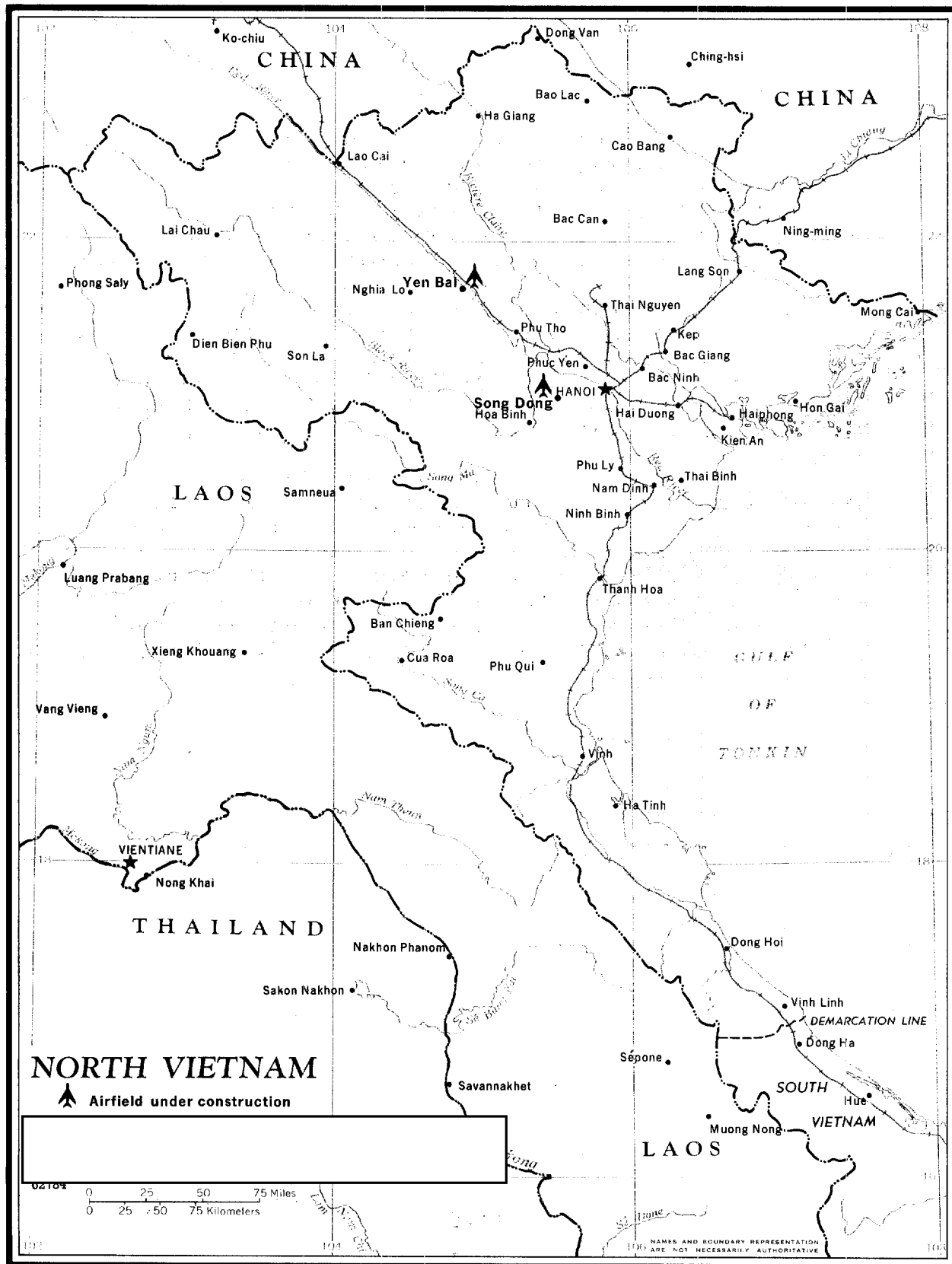
Devaluation Problems

4. The US Embassy has reported that nongovernmental press commentaries and the reaction of academic and political figures outside the government were uniformly unfavorable last week to the devaluation measures announced by the government on 18 June. Certain groups, including some economics professors at the University of Saigon, are attempting to develop political opposition to the government on the basis of the devaluation program. Minister of Finance Thanh, in particular, has come under attack. Two members of the board of the National Bank have also resigned in protest both against devaluation and against not being informed beforehand.

5. According to the press, some 12,000 Vietnamese construction workers continued their strike today as US and Vietnamese officials failed to come up with acceptable pay proposals. Another meeting reportedly has been scheduled tomorrow. The strike, now in its sixth day, has halted work on several priority construction projects, including river port facilities at Saigon and new runways at Bien Hoa.

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III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

1.

[redacted] confirms the construction of an airfield at Yen Bai in northwest North Vietnam. The construction of the runway base is continuing at an increased rate. The area of grading and leveling now covers an area about 10,500 by 950 feet.

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2. This is one of two airfields that Chinese engineer units are believed to be building in northern North Vietnam. The other, located at Song Dong about 20 miles west of Hanoi, was in the early stages of construction [redacted]. If construction at Yen Bai continues at the present rate, the airfield will probably be ready for use before the end of the year.

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IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. There is nothing of significance to report.

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V. COMMUNIST POLITICAL DEVELOPMENTS

1. There is nothing of significance to report.

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